Financial Statement
2000-2001

Southeast
Regional College

Letter of Transmittal

The Honourable Dr. Lynda M. Haverstock
Lieutenant Governor
Province of Saskatchewan

Your Honour:

I have the honour to submit for your consideration the Financial Statements of the Southeast Regional College for the year ending June 30, 2001.

Respectfully submitted,

Pat Lorjé, Minister
Post-Secondary Education and Skills Training

102-01355/

EPR CERTIFIED GENERAL ACCOUNTANTS
115 SECOND STREET
WEYBURN, SASKATCHEWAN
S4H 0T7

AUDITOR'S REPORT

To the Board of Governors of Southeast Regional College:

We have audited the statement of financial position of the Southeast Regional College as at June 30, 2001, and the statements of operations, changes in fund balances and cash flows for the year then ended. The college is responsible for preparing these Financial Statements for Treasury Board's approval. Our responsibility is to express an opinion on these Financial Statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion these Financial Statements present fairly in all material respects, the financial position of Southeast Regional College as at June 30, 2001, and the results of its operations and cash flows for the year then ended in accordance with generally accepted accounting principles.

Weyburn, Saskatchewan
August 27, 2001

Evonne Parrault Robertson
EPR Certified General Accountants

Southeast Regional College
Statement of Financial Position
as at June 30, 2001

	Operating Fund	Capital Fund	2001	2000
	$	$	$	$
Assets				
Current Assets				
Cash	873,596		873,596	878,509
Cash, Internally Restricted Funds (note 12)	573,096		573,096	590,128
Accounts Receivable (note 3)	987,659		987,659	552,684
Prepaid Expenses	41,535		41,535	65,998
	2,475,886		2,475,886	2,087,319
Capital Assets (notes 2 & 4)		1,097,463	1,097,463	405,436
Deferred Rent (note 8)		105,000	105,000	120,000
		1,202,463	1,202,463	525,436
	2,475,886	1,202,463	3,678,349	2,612,755
Liabilities				
Current Liabilities				
Accounts Payable (note 5)	898,557		898,557	727,948
Accrued Vacation Pay (note 6)	114,142		114,142	107,488
Deferred Revenue (note 11)	658,253		658,253	410,094
	1,670,952		1,670,952	1,245,530
Fund Balances (note 2)				
Unrestricted	231,838		231,838	251,661
Invested in Capital Assets		1,202,463	1,202,463	525,436
Internally Restricted (note 12)	573,096		573,096	590,128
	804,934	1,202,463	2,007,397	1,367,225
	2,475,886	1,202,463	3,678,349	2,612,755

Approved on behalf of the Board

The accompanying notes form an integral part of these financial statements.

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Southeast Regional College
Statement of Operations
for the year ended June 30, 2001

	Operating		Capital			
	2001	2000	2001	2000	2001	2000
	$	$	$	$	$	$
Revenues (Schedule 1)						
Saskatchewan Post-Secondary Education and Skills Training	3,629,247	3,557,697	814,819		4,444,066	3,557,697
Federal Government	15,168	107,167			15,168	107,167
Other Revenue	1,965,871	1,855,921	3,978	15,108	1,969,849	1,871,029
Total Revenues	**5,610,286**	**5,520,785**	**818,797**	**15,108**	**6,429,083**	**5,535,893**
Expenses (Schedule 2)						
Contractual & Professional Services	1,893,088	1,984,999			1,893,088	1,984,999
Rentals	263,427	268,383	(30,000)	(30,000)	233,427	238,383
Repairs and Maintenance	32,671	18,351			32,671	18,351
Amortization(notes 4 and 8)			278,802	172,348	278,802	172,348
Operating Expenses (Schedule 3)	961,068	816,190		635	961,068	816,825
Personal Services	2,389,855	2,306,201			2,389,855	2,306,201
Total Expenses	**5,540,109**	**5,394,124**	**248,802**	**142,983**	**5,788,911**	**5,537,107**
Excess / (Deficiency) of Revenue over Expenditures	**70,177**	**126,661**	**569,995**	**(127,875)**	**640,172**	**(1,214)**

The accompanying notes form an integral part of these financial statements.

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Southeast Regional College
Statement of Changes in Fund Balances
for the year ended June 30, 2001

	Invested in Capital Assets	Internally Restricted Funds	Unrestricted Funds	2001	2000
	$	$	$	$	$
Balance, beginning of the year	525,436	590,128	251,661	1,367,225	1,368,439
Excess/(Deficiency) of Revenue over Expenses	569,995		70,177	640,172	(1,214)
Investment in Capital Assets (note 12)	955,830	(955,830)			
Inter-fund Transfers - to / (from) (note 12)	(848,798)	938,798	(90,000)		
Balance, end of the year	1,202,463	573,096	231,838	2,007,397	1,367,225

The accompanying notes form an integral part of these financial statements.

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Southeast Regional College
Statement of Cash Flows
for the year ended June 30, 2001

	2001 $	2000 $
Cash from Operating Activities		
Excess/(Deficiency) of Revenue over Expenses		
-Operating Fund	70,177	126,661
-Capital Fund	569,995	(127,875)
Amortization of Capital Assets	278,802	172,348
Net Change in Non-cash Working Capital		
-(Increase)/Decrease in Accounts Receivable	(434,974)	(304,526)
-(Increase)/Decrease in Prepaid Expenses	24,463	(54,245)
-Increase/(Decrease) in Accounts Payable	170,609	181,738
-Increase/(Decrease) in Accrued Vacation Pay	6,654	624
-Increase/(Decrease) in Deferred Revenue	248,159	(29,167)
Net cash generated through operating activities	933,885	(34,442)
Financing and Investing Activities		
Purchase of Capital Assets	(955,830)	(234,786)
Net cash used in financing and investing activities	(955,830)	(234,786)
Net Increase/(Decrease) in Cash	**(21,945)**	**(269,228)**
Cash, beginning of the year	1,468,637	1,737,865
Cash, end of the year	**1,446,692**	**1,468,637**

The accompanying notes form an integral part of these financial statements.

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Notes to the Financial Statements

1. General Information

The Southeast Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The Board of the Southeast Regional College is responsible for administering and managing the educational affairs of the College in accordance with *The Regional Colleges Act* and its regulations.

The College's objectives are to promote the social, economic and cultural development of Southeastern Saskatchewan by facilitating learning options in partnership with community groups and businesses.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with generally accepted accounting principles utilizing the restricted funds method of accounting for contributions.

a) Fund Accounting

Funds are a separate self-balancing set of accounts for each accounting entity established within the accounting system, which segregate the transactions of a particular activity, as follows:

i The Operating Fund accounts for the organization's program delivery and administrative activities. The fund reports unrestricted resources and restricted operating and program grants.

ii The Capital Fund reports the assets, liabilities, revenues and expenses related to the capital assets of the College.

iii The Scholarship Fund reports resources contributed for scholarships. Investment income and contributions are reported as revenue, and scholarships granted are reported as expenditures of this fund.

iv The College maintains Internally Restricted Funds designated by the Board for the following purposes:

Capital Purchases:	Funds are allocated for three categories of future capital requirements: Program Computer Enhancement, Program Equipment Enhancement and Facility Enhancement.
Other:	Other amounts are designated by the Board for specific purposes relating to future operations of the College. Funds in this category are: Program Development; to be used for development of existing and future programs to be offered by the College, and Education; to be used for professional development of College personnel.

Amounts transferred to, and disbursements from, these funds, are approved by the Board of Governors.

b) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight line basis over the estimated useful lives of the assets, and recorded as an expense in the capital fund, for the categories listed below:

Leasehold improvements	:	over the life of the lease, to which they relate.
Program equipment and office equipment	:	5 years.
Computer hardware and systems software	:	3 years.
Office furniture	:	10 years.

c) **Revenue Recognition**

Restricted contributions related to general operations are recognized as revenue of the Operating Fund, in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund, in the year received.

Unrestricted contributions are recognized as revenue in the year received or receivable, if the amount to be received can be reasonably estimated, and collection is reasonably assured.

Investment income earned from the resources of internally restricted funds, is recorded as income in the Operating Fund.

Tuition revenue is recognized as revenue of the Operating Fund in the period in which the related expenses are incurred.

3. Accounts Receivable

Accounts receivable are composed of the following:	2001 $	2000 $
Saskatchewan Post-Secondary Education and Skills Training	484,889	64,236
Government of Saskatchewan - other	64,628	42,394
Other less allowance for doubtful accounts (2001- $22,875, 2000 - $2,367)	438,142	446,054
	987,659	552,684

4. Capital Assets

	Cost		Accumulated Amortization		Net Book Value	
	2001 $	2000 $	2001 $	2000 $	2001 $	2000 $
Leasehold improvements	930,360	164,151	162,166	75,094	768,194	89,057
Program equipment	274,610	262,844	213,887	188,727	60,723	74,117
Computer hardware - programs	634,925	632,497	567,483	516,403	67,442	116,094
Computer hardware - admin.	384,916	253,059	264,429	194,083	120,487	58,976
Office equipment	50,036	44,839	40,500	37,667	9,536	7,172
Office furniture	77,760	68,464	43,315	36,849	34,445	31,615
System software	196,954	167,877	160,318	139,472	36,636	28,405
	2,549,561	1,593,731	1,452,098	1,188,295	1,097,463	405,436

5. Accounts Payable

Accounts payable are composed of the following:

	2001 $	2000 $
Saskatchewan Post-Secondary Education & Skills Training	1,485	5,190
Government of Saskatchewan - other	1,779	133,138
Other	895,293	589,620
	898,557	727,948

6. Accrued Vacation Pay

Vacation pay of $114,142 (2000, $107,488) representing vacation earned by employees but not yet paid, has been calculated and recorded in the accounts.

7. Lease Commitments - Equipment and Buildings

The College has obligations for leases of office equipment and premises. Future minimum payments for the next five years total $917,357 with the following annual payments:

Year	$
2002	188,993
2003	188,177
2004	186,500
2005	179,876
2006	173,811

8. Deferred Rent

The college entered into a lease for facilities for a period of 10 years in 1998. A condition of the lease required an advance payment of $150,000 to the lessor of the premises. The payment has been recorded as deferred rent and will be amortized over the term of the lease at the rate of $15,000 per year.

9. Related Party Transactions

Included in these financial statements are revenue and expenditures resulting from routine operating transactions conducted at agreed rates with various Crown controlled departments, agencies and corporations, with which the College is related. Accounts balances resulting from these transactions are included in the statements of financial position and operations. These transactions are settled

on normal trade terms.

Transactions with related parties, incorporated in these financial statements, include the following:

Significant payments to related parties during the fiscal year:	2001 $	2000 $
Association of Saskatchewan Regional Colleges	6,082	7,800
Saskatchewan Regional Colleges	20,973	29,221
SIAST	659,403	912,372
Saskatchewan Property Management Corp.	90,171	88,147
Saskatchewan Telecommunications	118,874	91,194
University of Regina	81,541	58,171

Significant receipts from related parties during the fiscal year:	2001 $	2000 $
Saskatchewan Regional Colleges	44,084	
SIAST	35,032	35,469
SCN	79,125	105,500
University of Regina	4,073	3,913

10. Pension Plans

Employees of the college are members of the Teachers' Superannuation Plan, the Saskatchewan Teachers Retirement Plan or a defined contribution plan established by the Southeast Regional College. The college's obligations under these arrangements are limited to matching employee's contributions of the defined contribution plan established by the Southeast Regional College. Pension contributions for 2001 totalled $93,476 (2000, $80,544).

11. Deferred Operating Grants and Program Payments

Deferred revenue represents restricted funding for operating grants and program payments received in the current period, for operations of the subsequent period. Changes in deferred revenue for the year, are as follows:

		2001 $	2000 $
Balance, beginning of year		410,094	439,261
Deduct:	Amounts recognized as revenue during the year	(403,730)	(412,376)
Add:	Amounts received during the year		
	Tuition received in advance	9,804	1,830
	Employability Assistance for People with Disabilities	17,500	
	Quick Skills	105,956	23,257
	Saskatchewan Skills Extension Program	461,629	135,543

SIAST Deferred Revenue Fund	26,200	
Labour Market Development Agreement		113,163
Basic Education		15,000
CanSask Regional Planning project	12,550	
CanSask Counselling project	8,250	
Carpentry program		84,416
Provincial Training Allowance administration fee	10,000	10,000
Balance, end of year	658,253	410,094

12. Inter-fund Transfers and Internally Restricted Net Assets

The Board of Governors have placed internal restrictions on unrestricted net assets to be used for future expenditures. These internally restricted amounts are not available for other purposes without approval of the Board of Directors. In 2001, a transfer of $938,798 from operations, $848,798 from Capital Fund revenues before amortization and $90,000 from unrestricted, was made; $121,097 to the Program Computer Fund and $817,701 to the Equipment and Facility Fund, and transfers of $134,285 from the Program Computer Fund and $821,545 from the Equipment and Facility Fund were made to the (Restricted) Capital Fund, to cover the net cost of additions to Capital Assets.

The changes in internally restricted funds for the year, are as follows:

Internally Restricted Funds	Program Computer Fund $	Equipment & Facility Fund $	Program Development Fund $	Educational Development Fund $	Total $
Balance, beginning of year	262,283	40,188	203,224	84,433	590,128
Transfer from operating fund	121,097	817,701			938,798
Additions to capital assets, (transferred to capital fund)	(134,285)	(821,545)			(955,830)
Inter-fund transfers - to / (from)					
Balance, end of year	249,095	36,344	203,224	84,433	573,096

13. Financial Instruments

Accounts receivable and accounts payable are all short term in nature, and as such, their carrying value approximates fair value.

The College is exposed to credit risk from non-payment of accounts receivable. Credit risk is minimal for amounts due from Saskatchewan Post-Secondary Education & Skills Training, the Government of Canada, and other educational institutions. All other receivables are reported at estimated net realizable value.

14. Actual vs Budget

	Budget 2001 $	Actual 2001 $
Revenue		
Saskatchewan Post-Secondary Education & Skills Training	3,842,905	3,629,247
Federal Government	97,807	15,168
Other	1,801,908	1,965,871
	5,742,620	**5,610,286**
Expenditure		
Contractual & professional	2,166,685	1,893,088
Rentals	244,154	263,427
Repairs & maintenance	24,158	32,671
Operating expenses	922,245	961,068
Personnel	2,501,404	2,389,855
	5,858,646	**5,540,109**
Excess (Deficiency) of Operating Fund revenues over expenditures	(116,026)	70,177
Excess (Deficiency) of Capital Fund revenues over expenditures	533,854	569,995
Total - Excess (Deficiency) of revenues over expenditures	**417,828**	**640,172**

Southeast Regional College
Schedule of Operating Fund Revenues by Function
year ended June 30, 2001

	Administration	Programming						
	General Revenue	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Student Services	2001	2000
	$	$	$	$	$	$	$	$
Post-Secondary Education and Skills Training								
Admin Recovery	28,400		15,750	72,440			116,590	101,285
Base Grant	1,626,180						1,626,180	1,429,732
Program Payments			473,574	580,154		30,000	1,083,728	1,211,536
Other	11,908	3,082	135,721	549,717		102,321	802,749	815,144
	1,666,488	3,082	625,045	1,202,311		132,321	3,629,247	3,557,697
Federal Government								
Seat Purchases								
Projects								62,136
Other	15,168						15,168	45,031
	15,168						15,168	107,167
Other								
Admin Recovery								
Contracts		15,117	6,120	289,103		12,738	323,078	302,893
Interest	131,307						131,307	100,505
Rents	6,514						6,514	5,735
Resale Items	261	101,834	200	51,585	34,365	60	188,305	203,078
Tuition		480,907	63,024	567,142	204,330		1,315,403	1,236,819
Other	1,264						1,264	6,891
	139,346	597,858	69,344	907,830	238,695	12,798	1,965,871	1,855,921
Total Revenue	1,821,002	600,940	694,389	2,110,141	238,695	145,119	5,610,286	5,520,785
Total Expense (Schedule 2)	1,338,875	883,588	662,082	2,108,800	315,267	231,497	5,540,109	5,394,124
Excess/(Deficiency) of of Revenue over Expenses	482,127	(282,648)	32,307	1,341	(76,572)	(86,378)	70,177	126,661

The accompanying notes form an integral part of these financial statements.

EPR

Southeast Regional College
Schedule of Operating Fund Expenses by Function
for the year ended June 30, 2001

	General Administration			Programming					2001	2000
	Board	Admin	Organization	Community & Individual Development	Adult Basic Education	Vocational Technical	University Credit	Student Services		
	$	$	$	$	$	$	$	$	$	$
Contractual/Professional Services	5,086	129,749	2,148	219,210	90,648	1,251,242	195,005		1,893,088	1,984,999
Rentals	318			48,187	62,504	136,782	8,705	6,931	263,427	268,383
Repairs & Maintenance		7,072		25,250		349			32,671	18,351
Operating (Schedule 3)	36,439	226,128	42,304	231,283	92,772	227,075	65,871	39,196	961,068	816,190
Personal Services	25,445	552,129	312,057	359,658	416,158	493,352	45,686	185,370	2,389,855	2,306,201
	67,288	915,078	356,509	883,588	662,082	2,108,800	315,267	231,497	5,540,109	5,394,124

The accompanying notes form an integral part of these financial statements.

EPR

Schedule 3

Southeast Regional College
Schedule of Operating Expenses
for the year ended June 30, 2001

	2001	2000
	$	$
Operating Expenses		
Advertising	159,160	90,617
Association Fees and Dues	11,080	9,970
Bad Debt Expense	22,162	
Bank Changes and Interest	1,643	2,218
Computer Software	27,852	7,974
Conference and Training Fees	5,033	4,528
Insurance	5,829	6,758
Materials and Supplies	118,865	110,658
Postal, Freight, and Courier	16,325	20,526
Printing and Duplicating	42,565	29,133
Resale Items	192,470	181,363
Small Equipment	12,383	27,442
Student Allowances		20,076
Subscriptions	4,165	3,461
Telephone and Fax	103,418	94,188
Travel	216,082	188,512
Utilities	14,541	11,127
Other	7,495	7,634
	961,068	816,190

The accompanying notes form an integral part of these financial statements.

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Southeast Regional College
Supplier Payments in Excess of $20,000
For Year End June 30, 2001
(Unaudited)

SUPPLIER		AMOUNT
Allstar Technologies Canada	$	160,659.02
Annand Agro Services	$	26,250.00
Brad Storey Enterprises	$	45,000.00
Cardinal Construction Co Ltd	$	581,614.45
Carson Welding & Maintenance	$	108,357.52
Co-Operators	$	61,047.23
Estevan Comp School Board	$	113,191.00
Grand & Toy	$	27,715.65
Great West Life Assurance Co	$	21,973.51
Ladders to Success	$	24,015.73
London Life Insurance Comp	$	180,682.54
Nexans Canada Inc	$	28,000.00
Petroleum Industry Training	$	52,117.96
Post Second Education Skill Tr	$	22,321.06
Prairie Driver Training Service	$	175,192.44
Receiver General of Canada	$	730,335.89
SGEU Union Dues	$	25,242.62
Sask Property Management Co	$	89,946.35
SaskTel	$	108,817.77
Saunders Evans Architects Inc	$	42,164.72
SIAST Kelsey Campus	$	59,045.56
SIAST Palliser Campus	$	453,424.48
SIAST Wascana Campus	$	72,430.35
SIAST Woodland Campus	$	65,502.72
Southesat Education Foundation	$	102,198.80
St John Enterprises	$	39,324.37
University of Regina/Bookstore	$	81,541.15
Weyburn School Division #97	$	58,032.55
IBM Canada	$	23,646.52
TOTAL	**$**	**3,579,791.96**

Southeast Regional College
Personal Services in Excess of $2,500
For Year End June 30, 2001
(Unaudited)

Adacsi-Cooke Bonnie	$	38,210.90
Alexander Sandy	$	82,140.28
Benneweis Lois	$	2,583.67
Biden Bonnie	$	11,057.16
Binns Brian	$	50,780.72
Blakely Charon	$	15,401.40
Bye Kim	$	26,269.93
Chapman Terry	$	8,538.20
Ching Dale	$	10,327.88
Connery Ila	$	62,678.08
Donald Heather	$	40,839.41
Dorcas Heather	$	52,005.96
Ellis Karen	$	52,948.78
Evans Joyce	$	27,534.68
Ferguson Georgina	$	13,699.24
Fish Anna	$	32,487.08
Forsberg Wendy	$	42,629.36
Fuchs Margaret	$	27,691.82
Gress Carol	$	3,468.35
Haid Ed	$	11,531.16
Halabuza Charlotte	$	37,223.90
Hamilton Laura	$	63,403.14
Hammett Margo	$	38,313.08
Herberholz Cindy	$	23,088.20
Herlick Deb	$	40,283.09
Hoimyr Randy	$	11,115.92
Hookenson Charlotte	$	5,287.58
Hunt Del	$	19,309.61
Ivan Sharon	$	36,940.63
Iversen Sharlene	$	48,261.84
Jenson Sherry	$	41,323.97
Johnston Margot	$	23,177.64
Johnston Michelle	$	5,266.66
Jones Judi	$	80,389.53
Jordens Trent	$	50,756.64
Knibbs Leah	$	68,641.86
Kot Lynn	$	34,112.49
Kulach Bev	$	37,403.43
Legare Lucille	$	11,054.35
Lendrum Wilf	$	36,681.05
Ludtke Terry	$	69,248.06
McCaw Delsey	$	7,395.59
Melle Karen	$	50,377.34
Moran Louise	$	10,291.54
Muir Ellen	$	35,278.50
Musk Lorraine	$	34,414.73
Olson Carole	$	46,523.76

Oshowy Renee	$	27,771.35
Palandri Fabio	$	45,690.06
Paliuk Lynette	$	10,101.18
Paulson Marvin	$	12,929.18
Pettyjohn Shannon	$	28,135.16
Prior Evelyn	$	44,345.80
Reed Jim	$	65,084.10
Robinson Arlene	$	23,035.07
Robson Cathy	$	20,530.35
Roscoe Jim	$	5,330.97
Scammell Minerva	$	31,431.83
Senyk Steve	$	72,719.34
Stangel Jim	$	8,538.08
Stevenson Gloria	$	55,216.16
Storlie Kelly	$	6,816.48
Swann Terry	$	3,979.88
Thomas Donna	$	23,621.12
Wallin Joedy	$	19,876.48
Whetstone Art	$	122,327.87
Williams Robin	$	36,221.98
Wilson Helene	$	57,550.82
Windecker Donna	$	34,094.80
Woznesensky Denise	$	32,697.65
Wushke Pam	$	8,762.10
Young Trina	$	7,940.80
Zychkowski Ed	$	57,055.62
Total	**$**	**2,440,192.42**